

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company to Revise its Gas Rates and Tariffs to be Effective October 1, 2018. (U39G).

Application 17-09-006

**ORDER EXTENDING STATUTORY DEADLINE****Summary**

This decision extends the statutory deadline in this proceeding to March 14, 2020.

**1. Background**

On September 14, 2017, Pacific Gas and Electric Company (PG&E) submitted Application (A.)17-09-006, a gas cost allocation and rate design (GCAP) application to the California Public Utilities Commission (Commission), in order to revise its gas rates and tariffs. PG&E's application submitted pursuant to California Public Utilities Code (Pub. Util. Code) Section 454<sup>1</sup> and Rule 3.2 of the Rules of Practice and Procedure (Rules), addresses revenue requirement allocation and ratedesign for PG&E's gas customers that are not decided in PG&E's separate Gas Transmission and Storage (GT&S) proceeding. Based on the Application, PG&E requests new GCAP rates effective

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<sup>1</sup> All statutory references are to the California Public Utilities Code, unless otherwise indicated.

October 1, 2018 for the 36-month period from October 1, 2018 through September 30, 2021.

On November 20, 2017, a prehearing conference (PHC) was held and the scoping memo and ruling of assigned Commissioner was issued on August 25, 2017 (Scoping Memo) identifying all issues to be resolved in the scope of this proceeding. On February 7, 2018, a second PHC was held.<sup>2</sup> On March 19, 2018, the Amended Scoping Memo was issued adopting the current procedural schedule for this proceeding.

A public workshop was held in the proceeding on March 14, 2018, and Public Participation Hearings and Information Sessions were held in the cities of Sacramento, Fresno, Bakersfield, Chico, San Francisco, San Jose, and Oakland, on June 26, 27 and 28, and July 10, 11, 16 and 17, 2018, respectively. Evidentiary hearings were held on July 23-26, 2018, in San Francisco, CA, and Testimony from the parties was received into the evidentiary record.<sup>3</sup> Post hearing opening and reply briefs have been received, and the case was submitted in September 2018.

On October 25, 2018, the Commission issued an expedited interim decision (Decision (D.)18-10-040<sup>4</sup>) in this proceeding, adopting parties' settlement agreement on residential baseline season restructuring in order to permit PG&E

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<sup>2</sup> The second PHC was held to discuss with the parties and identify issues that may be resolved by the Commission on an expedited basis so that the outcome may be implemented by PG&E prior to the resolution of all issues in the Application.

<sup>3</sup> PG&E, the Public Advocates Office of the Commission (Cal Advocates), The Utility Reform Network (TURN), the Western Manufactured Housing Communities Association (WMA), the Small Business Utility Advocates (SBUA), the School Project for Utility Rate Reduction (SPURR), and Indicated Shippers are all parties in this proceeding. Each of PG&E, Cal Advocates, TURN, WMA, SBUA, and Indicated Shippers submitted written testimony.

<sup>4</sup> Decision:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M237/K152/237152450.PDF>

the opportunity to implement structural changes to its winter baseline season and mitigate bill volatility for the upcoming 2018-2019 winter season on an expedited basis. The expedited interim decision resolved only issue(s) relating to the restructuring of the residential winter baseline months/season raised in the Application, and Application 17-09-006 remains open.

## **2. Statutory Deadline and Discussion**

Section 1701.5 provides that the Commission shall resolve the issues raised in the scoping memo of a ratesetting proceeding, within 18 months of the date the proceeding is initiated, unless the Commission makes a written determination that the deadline cannot be met, and issues an order extending the deadline. In this proceeding, the 18-month deadline for resolving the case is March 14, 2019.

Based on the record of this proceeding, including the need for an interim expedited decision on residential baseline season restructuring and the need for a second proposed decision resolving the remaining issues, it was earlier determined that this proceeding could not be resolved by March 14, 2019, or “within 18 months of initiation” as required by law. Thus, on February 21, 2019, in D.19-02-028, the Commission extended the statutory deadline in this proceeding to September 14, 2019, in order to afford the ALJ needed time to evaluate the extensive record in this proceeding; draft a proposed decision resolving all remaining issues in this proceeding; mail the proposed decision to the parties; and submit the proposed decision to the Commissioners for final action and disposition.

The second and final proposed decision in this proceeding is completed and is being mailed to the parties for their comments (in accordance with Section 311 of the Public Utilities Code and Rule 14.3 of the Commission’s Rules of

Practice and Procedure). However, there is insufficient time to place the Application on the Commission agenda for consideration and final disposition prior to the September 14, 2019 extended statutory deadline. Accordingly, another extension of time is needed and necessary.

Extending the statutory deadline to March 14, 2020, or by six months, will allow the ALJ needed time to receive and consider the parties' comments to the proposed decision, and place the Application on the Commission agenda for consideration and final disposition. Accordingly, this order extending the statutory deadline for six months is necessary and recommended.

### **3. Waiver of Comment Period**

Under Rule 14.6(c)(4), the Commission may waive the otherwise applicable 30-day period for public review and comment on a decision that extends the 18-month deadline set forth in Section 1701.5. Under the circumstances of this case, it is appropriate to waive the 30-day period for public review and comment.

### **4. Assignment of Proceeding**

Clifford Rechtschaffen is the assigned Commissioner and Adeniyi A. Ayoade is the assigned Administrative Law Judge in this proceeding.

### **Findings of Fact**

1. The proceeding was initiated (Application filed) on September 14, 2017.
2. October 25, 2018, the Commission issued an expedited interim decision D.18-10-040) in this proceeding resolving the residential winter baseline season restructuring issue presented in this Application in order to reduce bill volatility for the upcoming 2018-2019 winter season.
3. The 18-month deadline for the resolution of this proceeding was March 14, 2019.

4. This proceeding could not be resolved within 18 months of initiation, or by March 14, 2019 as required by Section 1701.5. Accordingly, on February 21, 2019 the Commission extended the 18-month to September 14, 2019.

5. There is insufficient time to resolve this proceeding prior to the September 14, 2019 extended statutory deadline.

6. Additional time is needed to fully evaluate the records in this proceeding, write a second proposed decision resolving all remaining issues presented in this Application, and present the proposed decision for adoption by the Commission.

7. An extension of time until March 14, 2020 is necessary.

### **Conclusions of Law**

1. It is not possible to resolve this case within the 18-month period as provided for in Section 1701.5, or by the September 14, 2019 extended statutory deadline.

2. The statutory deadline should be extended until March 14, 2020 in order to allow for resolution of all issues in this proceeding.

3. This order should be made effective immediately.

**IT IS ORDERED** that the 18-month statutory deadline in this proceeding is extended to March 14, 2020.

This order is effective today.

Dated \_\_\_\_\_, at Los Angeles, California.